GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4454
ANSWERED ON:19.12.2014
ZERO MASS FOUNDATION
Pathak Smt. Riti

Will the Minister of FINANCE be pleased to state:

(a) whether State Bank of India (SBI) has handed over the task of opening and operating the accounts in rural areas to an organisation known as "Zero Mass Foundation";

(b) if so, the details thereof and the reasons therefor; and

(c) the States in which Zero Mass Foundation is operating and the total number and types of accounts opened by the said foundation;

(d) whether operation of bank account under this foundation is fully safe and if so, the details thereof along with the reaction of the Government thereto?

Answer

The Minister of State in the Ministry of Finance (SHRI JAYANT SINHA)

(a)to (d) Yes, Madam. As per information received from State Bank of India (SBI), it has handed over the task of opening and operating the accounts in rural areas to an organization known as "Zero Mass Foundation (ZMF)", which is one of their National Business Correspondents (BC). BC model envisages use of intermediate agents / organizations for supporting the Bank in extending financial services to unbanked population at an affordable cost at their door step.

ZMF is operating in Assam, Tripura, Sikkim, West Bengal, Odisha, Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Rajasthan, Delhi, Haryana, Jammu & Kashmir, Chhattisgarh, Gujarat, Dadra & Nagar Haveli, Maharashtra, Goa, Karnataka, Tamilnadu, Andhra Pradesh and Telangana. Till now it has opened more than 99 lakh Savings Bank accounts under Small Accounts category.

The operations done in the account are safe as all ZMF's, Customer Service Point (CSP) are connected to Bank's server in a firewall secured environment. All financial transactions are happening at online real-time basis. Each debit/credit transaction happening at CSP service point reflects in Bank's Core Banking System (CBS) and a system generated print out is given to the customer for each transaction as an acknowledgement of the transaction.